

# Exhibit T

**WEILAND, GOLDEN,  
SMILEY, WANG EKVALL & STROK, LLP**

Evan D. Smiley, State Bar No. 161812  
esmiley@wgllp.com  
Philip E. Strok, State Bar No. 169296  
pstrok@wgllp.com  
Robert S. Marticello, State Bar No. 244256  
rmarticello@wgllp.com  
650 Town Center Drive, Suite 950  
Costa Mesa, CA 92626  
Telephone: (714) 966-1000  
Facsimile: (714) 966-1002

Attorneys for Alfred H. Siegel,  
Liquidating Trustee

**FILED & ENTERED**

**NOV 29 2012**

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY reid DEPUTY CLERK

**UNITED STATES BANKRUPTCY COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

**SANTA ANA DIVISION**

In re

Case No. 8:08-bk-15588-ES

LBREP/L-SunCal Master I LLC, et al.,

Chapter 11

Debtor.

(Jointly Administered with Case Nos.  
8:08-bk-15637-ES; 8:08-bk-15639-ES; and  
8:08-bk-15640-ES)

- ☐ Affects LBREP/L-SunCal Master I  
LLC, Only
- ☐ Affects LBREP/L-SunCal McAllister  
Ranch LLC, Only
- ☐ Affects LBREP/L-SunCal McSweeny  
Farms LLC, Only
- ☐ Affects LBREP/L-SunCal Summerwind  
Ranch LLC, Only
- ☒ Affects All Debtors.

**ORDER GRANTING THE LIQUIDATING  
TRUSTEE'S MOTION FOR ORDER  
APPROVING AND AUTHORIZING: (1)  
COMPROMISE BETWEEN THE  
LIQUIDATING TRUSTEE, DIVIDEND  
ACTION DEFENDANTS AND SUNCAL  
MANAGEMENT, LLC PURSUANT TO  
FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 9019; (2) GOOD FAITH  
SETTLEMENT DETERMINATION  
PURSUANT TO CALIFORNIA CODE OF  
CIVIL PROCEDURE § 877.6; AND (3)  
COMPENSATION TO SPECIAL  
LITIGATION COUNSEL ORRICK,  
HERRINGTON & SUTCLIFFE LLP  
PURSUANT TO 11 U.S.C. § 328**

**DATE: November 29, 2012  
TIME: 2:00 p.m.  
PLACE: Courtroom 5A  
411 W. Fourth Street  
Santa Ana, CA 92701**

**Weiland, Golde n,  
Smiley, Wang Ekvall & Strok, LLP**  
650 Town Center Drive, Suite 950  
Costa Mesa, California 92626  
Tel 714 - 966 -1000 Fax 714 - 966 -1002

On November 29, 2012 at 2:00 p.m., in Courtroom 5A of the above-entitled Court, a hearing was held on the *Motion for Order Approving and Authorizing: (1) Compromise Between the Liquidating Trustee, Dividend Action Defendants and SunCal Management, LLC Pursuant to Federal Rule of Bankruptcy Procedure 9019; (2) Good Faith Settlement Determination Pursuant to California Code of Civil Procedure § 877.6; and (3) Compensation to Special Litigation Counsel Orrick, Herrington & Sutcliffe LLP Pursuant to 11 U.S.C. § 328 [Docket No. 933] (the "Motion")*<sup>1</sup> filed by Alfred H. Siegel (the "Trustee"), the Liquidating Trustee of the post-confirmation Plan Liquidating Trust in the jointly administered bankruptcy cases of LBREP/L-SunCal Master I, LLC, LBREP/L-SunCal McAllister Ranch, LLC, LBREP/L-SunCal McSweeny Farms, LLC, and LBREP/L-SunCal Summerwind Ranch, LLC (collectively, the "Debtors"). Appearances were as noted on the record.

Having considered the Motion, all papers submitted in support thereof including, without limitation, *The LBREP Defendants' Memorandum of Points and Authorities in Support of Motion for Good Faith Settlement Determination; Declarations of Mark E. McKane and Judge Mitchel R. Goldberg [Docket No. 936] and the Lakeside Defendants' Memorandum of Points and Authorities in Support of Motion for Good Faith Settlement Determination; Declaration of Bernard D. Bollinger, Jr. in Support thereof [Docket No. 943]* (collectively, the "Good Faith Briefs"); and finding that (i) notice and service of the Motion were proper, (ii) the relief sought in the Motion is in the best interests of the Liquidating Trust and its creditors/beneficiaries, (iii) the Agreement (as defined below) is made in good faith, is the result of arm's length negotiations between the Parties following an adversarial process including discovery, mediation, and settlement discussions, and represents a fair resolution of disputed issues of fact and law, (iv) the Agreement (as defined below) falls well-within a "ballpark" approximation both of the Trustee's total

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<sup>1</sup> Capitalized terms not expressly defined herein shall have the meanings ascribed to them in the Motion and/or the Agreement, as Motion and Agreement are defined in this Order.

1 potential recovery and of the LBREP Defendants' and Lakeside Defendants' alleged  
2 proportionate liability, (v) the amount paid under the Agreement (as defined below) is  
3 substantial, (vi) the amount paid under the Agreement (as defined below) reflects that  
4 Defendants should pay less in settlement than if found liable at trial, (vii) the allocation of  
5 settlement proceeds weighs in favor of good faith, (viii) the financial condition and  
6 potential insurance coverage of the LBREP Defendants, SunCal Defendants and  
7 Lakeside Defendants do not undermine a good faith determination, (ix) no evidence has  
8 been entered that would indicate the settlement is the product of collusion, fraud, or  
9 tortious conduct, (x) the Agreement (as defined below) therefore constitutes a good faith  
10 settlement pursuant to California Code of Civil Procedure § 877.6 and under the factors  
11 listed in *Tech-Bilt, Inc. v. Woodward Clyde & Assoc.*, 38 Cal. 3d 488 (1985), and (xi) the  
12 legal and factual bases set forth in the Motion and Good Faith Briefs, and on the record at  
13 the hearing on the Motion, establish just cause for the relief granted herein; and based on  
14 the Court's findings of facts and conclusions of law as set forth by the Court on the record  
15 at the hearing on the Motion, which are incorporated herein by this reference, and based  
16 on the evidence and arguments set forth in the Motion and Good Faith Briefs; and after  
17 due deliberation and sufficient cause appearing therefor,

18 **IT IS HEREBY ORDERED** that:

- 19 1. The Motion is granted;
- 20 2. Pursuant to Federal Rule of Bankruptcy Procedure 9019, the *Settlement*  
21 *Agreement and Release* (the "Agreement") attached as Exhibit "1" to the Trustee's *Notice*  
22 *of Submission of Executed Settlement Agreement and Release to the Liquidating*  
23 *Trustee's Motion for Order Approving and Authorizing: (1) Compromise Between the*  
24 *Liquidating Trustee, Dividend Action Defendants and SunCal Management, LLC Pursuant*  
25 *to Federal Rule of Bankruptcy Procedure 9019; (2) Good Faith Settlement Determination*  
26 *Pursuant to California Code of Civil Procedure § 877.6; and (3) Compensation to Special*  
27 *Litigation Counsel Orrick, Herrington & Sutcliffe LLP Pursuant to 11 U.S.C. § 328* [Docket  
28

1 No. 946], the terms of which are incorporated herein by this express reference, is  
2 approved;

3 3. Pursuant to California Code of Civil Procedure § 877.6 and under the factors  
4 listed in *Tech-Bilt, Inc. v. Woodward Clyde & Assoc.*, 38 Cal. 3d 488 (1985), the  
5 Agreement is a good faith settlement;

6 4. The Trustee is authorized and directed, without further notice, hearing or  
7 order of this Court, to (i) execute the Agreement, (ii) consummate all of the transactions  
8 contemplated thereby, and (iii) execute and deliver such documents and instruments and  
9 to take any such other actions reasonably necessary to effectuate the terms of the  
10 Agreement;

11 5. The Agreement and any related documents or other instruments may be  
12 modified, amended or supplemented by the Parties thereto, in a writing signed by such  
13 Parties, and in accordance with the terms thereof, without further order of the Court;  
14 provided, however, that any material modification, amendment or supplement shall be  
15 presented for Court approval by motion of the Parties thereto; provided, further, that any  
16 extension of time or of a deadline by "mutual agreement of the Parties" under the  
17 Agreement shall not be considered a material modification;

18 6. The Court's finding that the Agreement constitutes a good faith settlement  
19 pursuant to California Code of Civil Procedure § 877.6 and under the factors listed in  
20 *Tech-Bilt, Inc. v. Woodward Clyde & Assoc.*, 38 Cal. 3d 488 (1985), shall not apply to any  
21 Non-Settling Defendant;

22 7. The Trustee is authorized and directed to pay \$1,000,000.00 to Gramercy  
23 Warehouse Funding I, LLC, in full satisfaction of its remaining Allowed Administrative  
24 Claim, from the Trade Creditor Allocation promptly upon consummation of the Agreement.

25 8. The requested contingency fee and costs of the Trustee's special litigation  
26 counsel, Orrick, Herrington & Sutcliffe LLP ("Orrick"), are approved as follows:

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Professional	Contingency Fee Requested Pursuant to 11 U.S.C. § 328	Contingency Fee Allowed Pursuant to 11 U.S.C. § 328	Costs Requested	Costs Allowed
Orrick, Herrington & Sutcliffe LLP	\$2,200,000.00	\$2,200,000.00	\$15,140.32	\$15,140.32

9. The Trustee and/or Escrow Agent is authorized and directed to pay Orrick its allowed contingency fee of \$2,200,000.00 and unpaid costs of \$6,214.05 (\$15,140.31 costs allowed less \$8,926.27 costs already paid) from the Settlement Payment or Contingency Settlement Payment; and

10. The Trustee is authorized to continue to pursue the Litigation and Preference Actions against any Non-Settling Defendant as provided under the Agreement, and to continue to use Orrick in the Litigation as his special counsel under the terms of Orrick's existing employment order.

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DATED: November 29, 2012

United States Bankruptcy Judge

Weiland, Golden, Smiley, Wang Ekvall & Strok, LLP  
 650 Town Center Drive, Suite 960  
 Costa Mesa, California 92626  
 Tel 714 - 966-1000 Fax 714 - 966-1002

## NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): ORDER GRANTING THE LIQUIDATING TRUSTEE'S MOTION FOR ORDER APPROVING AND AUTHORIZING: (1) COMPROMISE BETWEEN THE LIQUIDATING TRUSTEE, DIVIDEND ACTION DEFENDANTS AND SUNCAL MANAGEMENT, LLC PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019; (2) GOOD FAITH SETTLEMENT DETERMINATION PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE § 877.6; AND (3) COMPENSATION TO SPECIAL LITIGATION COUNSEL ORRICK, HERRINGTON & SUTCLIFFE LLP PURSUANT TO 11 U.S.C. § 328 was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** - Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of (*date*) **November 29, 2012**, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY THE COURT VIA UNITED STATE MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States Mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

☐ Service information continued on attached page

3. **TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers and/or email addresses stated below:

☐ Service information continued on attached page



**Electronic Mail Notice List**

Joey R Abramson jralaw1@pacbell.net  
Austin K Barron abarron@buchalter.com, IFS\_filing@buchalter.com; tcarson@buchalter.com  
Thomas Scott Belden sbelden@kleinlaw.com, ecf@kleinlaw.com  
Jeffrey S Benice jsb@jeffreybenice.com  
Bernard D Bollinger bbollinger@buchalter.com, IFS\_filing@buchalter.com; smartin@buchalter.com  
Jeffrey W Broker jbroker@brokerlaw.biz  
Joseph P Buchman jbuchman@bwslaw.com, atualla@bwslaw.com  
Brendt C Butler bbutler@mandersonllp.com  
Kathleen A Cashman-Kramer kcashman@psdslaw.com  
Cathrine M Castaldi ccastaldi@rusmiliband.com  
Tara Castro Narayanan tara.narayanan@msrlegal.com, lisa.king@msrlegal.com  
William D Coffee bcoffee@sr-firm.com, barbara@sr-firm.com  
Geoffrey Crisp geoffrey@smgarberlaw.com, michelle@smgarberlaw.com  
Jonathan S Dabbieri dabbieri@sullivanhill.com,  
hill@sullivanhill.com; mcallister@sullivanhill.com; stein@sullivanhill.com; vidovich@sullivanhill.com  
Terrence T Eglund tegland@kleinlaw.com  
Terrence T Eglund ecf@kleinlaw.com, tegland@kleinlaw.com  
Lei Lei Wang Ekvall lekvall@wgllp.com  
Marc C Forsythe kmurphy@goeforlaw.com  
Heather Fowler heather.fowler@lw.com, colleen.rico@lw.com  
Steven M Garber steve@smgarberlaw.com  
Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; mforsythe@goeforlaw.com  
Marshall F Goldberg mgoldberg@glassgoldberg.com  
Kelly C Griffith bkemail@harrisbeach.com  
Thomas W Harman wharman@orrick.com  
Michael J Hauser michael.hauser@usdoj.gov  
Gil Hopenstand gh@lnbrb.com  
Kimberly D Jaimez kimberly.jaimez@skadden.com  
Sheri Kanesaka skanesaka@alvaradosmith.com, crosas@alvaradosmith.com  
Christopher W Keegan ckeegan@kirkland.com, shalimar.caltagirone@kirkland.com; alevin@kirkland.com  
Yale K Kim ykim@allenmatkins.com  
Kerri A Lyman klyman@irell.com  
John T Madden maddenj@bryancave.com  
Robert S Marticello Rmarticello@wgllp.com  
Robert C Martinez rmartinez@mclex.com  
Mark E McKane , rosie.tejada@kirkland.com  
Hutchison B Meltzer hmeltzer@wgllp.com  
Joel S. Miliband jmiliband@rusmiliband.com  
James M Miller jmiller@millerbarondess.com,  
vgunderson@millerbarondess.com; smiller@millerbarondess.com; mpkritikin@millerbarondess.com  
Ramon Naguiat rnaguiat@skadden.com  
Samuel A Newman snewman@gibsondunn.com  
Kurt Ramlo kurt.ramlo@dlapiper.com, evelyn.rodriguez@dlapiper.com  
Craig M Rankin cmr@lnbrb.com  
Daniel H Reiss dhr@lnbyb.com  
Todd C. Ringstad becky@ringstadlaw.com  
Martha E Romero Romero@mromerolawfirm.com  
John P Schafer jschafer@theschaferfirm.com, pnaegely@theschaferfirm.com  
Mark C Schnitzer mschnitzer@rhlaw.com, mschnitzer@verizon.net  
Alfred H Siegel ahstrustee@horwathcal.com,  
asiegel@ecf.epiqsystems.com; margo.tzeng@crowehorwath.com; lisa.irving@crowehorwath.com  
Alfred H Siegel (TR) al.siegel@crowehorwath.com,  
asiegel@ecf.epiqsystems.com; margo.tzeng@crowehorwath.com; lisa.irving@crowehorwath.com  
Gerald N Sims jerrys@psdslaw.com, bonniec@psdslaw.com  
Evan D Smiley esmiley@wgllp.com  
Autumn D Spaeth aspaeth@wgllp.com  
Philip E Strok pstrok@wgllp.com



Derrick Talerico dtalerico@loeb.com, kpresson@loeb.com  
Andrew Troop andrew.troop@pillsburylaw.com  
United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov  
Michael D Warner mwarner@coleschotz.com, klabrada@coleschotz.com  
David R Zaro dzaro@allenmatkins.com